

GRAHAM-NEWMAN CORPORATION

52 WALL STREET

NEW YORK 5. N. Y.

February 25 , 1949

To the Stockholders of Graham-Newman Corporation:

Submitted herewith are financial statements of the Corporation covering the fiscal year ended January 31, 1949.

The appended balance sheet indicates a net asset value of \$97.56 per share on January 31, 1949, compared with \$114.13 per share on January 31, 1948.

In July 1948 a capital distribution was made consisting of all of the shares of Government Employees Insurance Co. owned by the Corporation, which were carried at a book cost equivalent to \$21.21 per share of Graham-Newman Corp. stock. In addition, dividends of \$5.75 were paid during the year. Of this amount \$4.31 per share has been designated as Capital Gain dividends, pursuant to Section 362 of the Internal Revenue Code.

The over-all net gain for the fiscal year, including the net increase in unrealized appreciation, amounted to \$9.15 per share on the average number of shares outstanding. Net realized profits for the year, without reflecting the increase in unrealized appreciation, amounted to \$6.07 per share.

If effect is given to the increase over book cost in the quoted value of the Insurance Company shares at the date of their distribution in July 1948, the over-all gain would be \$14.94 per share. In addition, stockholders who received and retained their Insurance Company shares have a further gain thereon—based on their market price of \$30.00 per share on January 31, 1949, plus dividends received—amounting to no less than \$28.80 per share of their Graham-Newman Corp. stock.

The results for the full year ended January 31, 1949, to stockholders who held their Graham-Newman Corp. and Insurance Company shares throughout the applicable period, may be summarized as follows:-

	<u>Per Share of Graham-Newman Stock</u>
Net asset value on January 31st, 1949 shown herewith	\$ 97.56
Add:	
Cash dividends paid in year	5.75
Market value on January 31st, 1949 of stock of Government Employees Insurance Co. distributed in July 1948, plus stock dividend thereon (1.8 shares of Insurance Co. stock at \$30 per share)	54.00
Cash dividends paid in July 1948 and January 1949 on the Insurance Co. shares	<u>1.80</u>
	Total - \$159.11
Net asset value on January 31st, 1948	<u>114.13</u>
Gain for the year	<u>\$ 44.98</u>

The indicated net asset value as of February 19, 1949 was approximately \$97.00 per share.

The financial statements have been reviewed by Messrs. Stern, Porter, Kingston and Coleman, independent public accountants, whose certificate is set forth herein.

The proxy statement for the annual meeting to be held April 11, 1949 will be sent to stockholders on or about April 1, 1949.

By Order of the Board of Directors,

Benj. Graham,
President

Jerome A. Newman,
Vice-President & Treasurer

STERN, PORTER, KINGSTON & COLEMAN

CERTIFIED PUBLIC ACCOUNTANTS

551 Fifth Avenue, New York 17, N. Y.

MURRAY HILL 2-8075

To the Board of Directors and Stockholders of
Graham-Newman Corporation:

We have examined the Balance Sheet of Graham-Newman Corporation as at January 31, 1949 and the related statements of Profit and Loss and Changes of Net Assets for the fiscal year ended January 31, 1949, have reviewed the system of internal control and the accounting procedures of the company and, without making a detailed audit of the transactions, have examined or tested accounting records of the company and other supporting evidence by methods and to the extent we deemed appropriate and in accordance with generally accepted standards applicable in the circumstances.

Pursuant to regulations of the Securities and Exchange Commission applicable to regulated investment companies, the Balance Sheet herein gives effect to the evaluation of investments in securities at their quoted market values as at the date thereof.

In our opinion, the accompanying Balance Sheet and related statements of Profit and Loss and Changes of Net Assets, subject however to the notes appended thereto, present fairly the position of Graham-Newman Corporation as at January 31, 1949 and the results of its operations for the fiscal year then ended, in conformity with the accounting principles set forth hereinabove applied on a basis consistent with that of the preceding year.

Stern Porter Kingston & Coleman

STERN, PORTER, KINGSTON & COLEMAN
Certified Public Accountants

New York, N. Y.
February 18, 1949.

GRAHAM-NEWMAN

NEW

B A L A N C E

JANUARY 31,

(ON BASIS OF QUOTED MARKET VALUE)

A S S E T S

CASH IN BANKS		\$ 86,243.81
DUE FROM BROKERS		
For Securities Sold	\$ 2,874.05	
Other	<u>166,279.90</u>	169,153.95
INVESTMENTS IN SECURITIES (see Note A)		5,242,969.00
(Cost \$5,076,072.43)		
OTHER ASSETS		
Interest Accrued on Bonds		220.00

\$5,498,586.76

CORPORATION

YORK

S H E E T

1949

OF SECURITIES AS AT JANUARY 31, 1949)

LIABILITIES AND CAPITAL

NOTES PAYABLE - BANK (secured)		\$ 450,000.00
SECURITIES SHORT (see Note A) (Net Proceeds of Sales \$131,496.61)		112,290.00
ACCOUNTS PAYABLE AND ACCRUALS		
Officers' Additional Compensation (see Note B)	\$21,260.56	
Other	<u>4,213.14</u>	25,473.70
PROVISION FOR ADDITIONAL CONTINGENT COMPENSATION OF OFFICERS (on increase in unrealized appreciation subsequent to January 31, 1948)		32,568.92
NET ASSETS APPLICABLE TO OUTSTANDING CAPITAL STOCK		4,878,254.14
Capital Stock:		
Authorized, Issued and Outstanding- 50,000 shares of no par value Stated Value \$50.00 per share	2,500,000.00	
Capital Surplus	2,224,719.88	
Earned Surplus	-	
Total Capital Stock and Surplus	<u>4,724,719.88</u>	
Unrealized Appreciation of Investments (after deducting provision for additional contingent compensation of officers)	<u>153,534.26</u>	
Total as above	<u>\$4,878,254.14</u>	
equivalent to \$97.56 per share		
		<u>\$5,498,586.76</u>

GRAHAM-NEWMAN CORPORATION
STATEMENT OF CHANGES IN NET ASSETS
APPLICABLE TO OUTSTANDING CAPITAL STOCK
FOR THE FISCAL YEAR ENDED JANUARY 31, 1949

		<u>NO. OF SHARES</u>	<u>PER SHARE</u>
<u>NET ASSETS AT JANUARY 31, 1948</u>	\$3,961,948.39	34,715	\$114.13
<u>ADD</u>			
Capital Stock issued during year - for cash	<u>1,528,500.00</u>	<u>15,285</u>	<u>100.00</u>
Net Income for year:	5,490,448.39	50,000	109.91
Net Income, excluding gain or loss on investments, and before deducting additional compensation of officers	\$ 52,966.31		
Realized Net Gain on Sales of Investments	<u>225,589.55</u>		
Total	<u>278,555.86</u>		
Deduct-Additional compensation of officers (see Note B)	21,260.56		
Provision for Federal income tax (see Note C)	<u> -</u>		
Net Income for year	257,295.30		6.07(a)
Increase in Unrealized Appreciation	162,844.58		
Deduct-Provision for additional contingent compensation of officers (see Note B)	<u>32,568.92</u>	<u>130,275.66</u>	3.08(a)
<u>TOTAL</u>	5,878,019.35		
<u>DEDUCT</u>			
Distribution to Stockholders at July 6, 1948 of 37,492-20/100 shares Government Employees Insurance Company stock-at Cost	<u>736,190.95</u>		21.21(c)
Dividends Paid:			
<u>Date Paid</u>	<u>Per Share</u>	<u>No. of Shares</u>	
June 18, 1948	\$1.75	34,715	60,751.25
Sept. 17, 1948	1.25	50,000	62,500.00
Dec. 17, 1948	1.25	50,000	62,500.00
Jan. 28, 1949	<u>1.50</u>	<u>50,000</u>	<u>75,000.00</u>
Total	<u>\$5.75</u>		<u>260,751.25</u>
Recapitalization Expenses (see Note D)	2,823.01		.06(d)
	<u>999,765.21</u>		
<u>NET ASSETS AT JANUARY 31, 1949</u>	<u>\$4,878,254.14</u>		<u>\$ 97.56(d)</u>

(a) computed on basis of average number of shares outstanding during year-42,357-1/2 shares.

(b) computed on number of shares upon which dividends were actually paid.

(c) computed on number of shares upon which distribution of Government Employees Insurance Co. stock was made (34,715 shares).

(d) computed on number of shares outstanding at close of year (50,000 shares).

STATEMENT OF CHANGES IN NET ASSETS
 APPLICABLE TO OUTSTANDING CAPITAL STOCK
 FOR THE FISCAL YEAR ENDED JANUARY 31, 1949

	<u>T O T A L</u>	<u>CAPITAL STOCK STATED VALUE \$50. PER SHARE</u>	<u>CAPITAL SURPLUS</u>	<u>EARNED SURPLUS</u>	<u>UNREALIZED APPRECIATION</u>
ANALYSIS OF CHANGES IN NET ASSETS					
Net Assets at January 31, 1948	\$3,961,948.39	\$1,735,750.	\$2,202,939.79	\$ -	\$ 23,258.60
Add:					
Capital Stock issued during year (15,285 shares)	1,528,500.00	764,250.	764,250.00		
Net Income for year	257,295.30			257,295.30	
Increase in Unrealized Appreciation less provision for additional contingent compensation of officers	<u>130,275.66</u>				<u>130,275.66</u>
Total	5,878,019.35	2,500,000.	2,967,189.79	257,295.30	153,534.26
Deduct:					
Distribution-Government Employ- ees Insurance Company stock	736,190.95		736,190.95		
Dividends Paid	260,751.25		3,455.95	257,295.30	
Recapitalization Expense	<u>2,823.01</u>		2,823.01		
	999,765.21				
Net Assets at January 31, 1949	<u>\$4,878,254.14</u>	<u>\$2,500,000.</u>	<u>\$2,224,719.88</u>	<u>\$ -0-</u>	<u>\$153,534.26</u>

GRAHAM-NEWMAN CORPORATION
NEW YORK
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 1949

NOTE A - VALUE OF INVESTMENTS-UNREALIZED APPRECIATION OF INVESTMENTS

The unrealized appreciation of investments at January 31, 1949 is represented as follows:

	<u>Cost</u>	<u>Value at January 31, 1949</u>	<u>Unrealized Appreciation</u>
Investments in Securities	\$5,076,072.43	\$5,242,969.	\$166,896.57
Securities Short	<u>131,496.61</u>	<u>112,290.</u>	<u>19,206.61</u>
Net Securities Position	<u>\$4,944,575.82</u>	<u>\$5,130,679.</u>	186,103.18
The unrealized appreciation of investments at January 31, 1948 was			<u>23,258.60</u>
and the increase in unrealized appreciation at the close of the year as compared with the status at the close of the prior year was			<u>\$162,844.58</u>

The investment in Atlantic Gulf & West Indies Steamship Lines Common Stock has been valued per resolution of the board of directors at its quoted market value on the New York Stock Exchange as at the close of the year, and on this basis shows an unrealized appreciation of \$166,341.50, thus representing an amount slightly in excess of the increase in unrealized appreciation for the year and the greater part of the unrealized appreciation at the close thereof. The company and other persons associated with it in this transaction acquired an effective control of that company (A.G.W.I.) in December 1948 and there have recently been only occasional transactions in this security on the Exchange.

Current values of investments at January 31, 1949 are based on market quotations and are not intended as representations of the amounts which may actually be realizable upon sale of these securities.

NOTE B - COMPENSATION OF OFFICERS

Pursuant to a resolution of the directors approved by the stockholders at a special meeting held on February 27, 1949, the corporation pays the President and Treasurer each a salary at the rate of \$25,000.00 per annum from February 1, 1948 and as additional compensation to each, a sum equal to 10% of the over-all earnings from February 1, 1948 above a cumulative annual dividend of \$4.00 per share, to the extent that the balance of such excess over-all earnings shall have been paid in dividends. Any such additional compensation is payable in five equal annual amounts on or about each successive January 31st, beginning January 31, 1949. The directors have voted to accelerate the payment of the additional compensation for the current year. In the event of death of either officer or the election of a successor, additional compensation will be payable of a sum which, together with the total additional compensation previously paid, shall equal 10% of the excess of the over-all net earnings of the corporation from February 1, 1948 to the date of termination of office over an amount equal to \$4.00 per share per annum on the average number of shares outstanding for such period.

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 1949

(CONTINUED)

NOTE C - TAX STATUS

The company is a "regulated investment company" under the Internal Revenue Code, and as such is subject to Federal income tax at 25% of the excess of its net long term capital gain (less its net short term capital loss, if any) over the amount distributed as dividends which are designated by it as "capital gain dividends", and at 38% of the excess of its other net income over the amount of dividend distributions therefrom. The Company has distributed as dividends the entire amount of its net income for the current year, so that no provision for Federal income tax for the year is required. The Company likewise intends to follow the same practice in the future and no Federal income taxes will be payable on the basis of the Internal Revenue Code presently in force for any year in which this practice is followed. No provision has therefore been made for Federal income tax on unrealized appreciation of investments at January 31, 1949.

NOTE D - ISSUE OF ADDITIONAL STOCK

At June 16, 1948 the directors voted to increase the authorized Capital Stock of the Company from 40,000 to 50,000 shares of no par value and to offer the balance of the unissued stock to stockholders of record July 14, 1948 at \$100.00 per share in the ratio of 44/100 of a share of new stock for each share then outstanding. The rights to subscribe expired August 9, 1948 and the entire number of authorized and unissued shares (15,285 shares) were subscribed for. Of the amount received, \$50.00 per share, being the stated value per share of the capital stock, was credited to Capital Stock account, and the balance of \$50.00 per share was credited to Capital Surplus.

NOTE E - SUPPLEMENTARY INFORMATION

The aggregate dollar amount of purchases and sales of investment securities, other than Government securities, made during the year were as follows:

	<u>Cost of Purchases</u>	<u>Proceeds from Sales</u>
First half (February 1, 1948 to July 1, 1948)	\$2,231,534.44	\$1,373,835.93
Second half (August 1, 1948 to January 31, 1949)	<u>1,919,694.03</u>	<u>885,194.72</u>
Total for the year	<u>\$4,151,228.47</u>	<u>\$2,259,030.65</u>

GRAHAM-NEWMAN CORPORATION
NEW YORK
INVESTMENTS IN SECURITIES
JANUARY 31, 1949

S U M M A R Y

QUOTED
MARKET VALUE
AT JANUARY 31, 1949

INVESTMENT COMPANIES

Preferred Stocks
Common Stocks

\$ 35,063.
248,741.

HOLDING COMPANIES

Preferred Stocks
Common Stocks

447,356.
174,342.

OTHER SECURITIES

Bonds

Railroads
Utilities
Real Estate

342,865.
391,663.
1,500.

Preferred Stocks

Utilities
Insurance Companies
Industrials

203,240.
4,000.
154,830.

Common Stocks

Railroads
Utilities
Banks
Insurance Companies
Industrials

22,750.
198,520.
50,625.
289,661.
2,677,813.

\$5,242,969.

GRAHAM-NEWMAN CORPORATION
NEW YORK
INVESTMENTS IN SECURITIES
JANUARY 31, 1949

<u>NO. OF SHARES</u>	<u>DESCRIPTION OF SECURITIES</u>	<u>QUOTED MARKET VALUE AT JANUARY 31, 1949 Amount</u>
<u>INVESTMENT COMPANIES</u>		
<u>Preferred Stocks</u>		
825	Railway & Light Securities Co. 4% Cumulative Convertible Preferred	\$ <u>35,063.</u>
<u>Common Stocks</u>		
530	Aldred Investment Trust	66.
1,000	American Research & Development Corporation	22,250.
1,500	American International Corporation	18,000.
3,400	Carriers and General Corporation	23,800.
1,000	Niagara Share Corporation "B"	9,500.
7,000	Pacific American Investors, Inc.	21,000.
18,000	The Pennroad Corporation	137,250.
2,500	Tri-Continental Corporation	<u>16,875.</u>
		<u>\$248,741.</u>
<u>HOLDING COMPANIES</u>		
<u>Preferred Stocks</u>		
1,300	Alleghany Corporation Cumulative Convertible \$2.50 Prior Preferred	85,800.
600	American & Foreign Power Co. \$6.00 Cumulative Preferred	30,600.
400	American & Foreign Power Co. \$7.00 Cumulative Preferred	22,800.
8,850	Electric Bond & Share Co. \$6.00 Preferred (stubs)	34,294.
300	Electric Power & Light Corp. \$6.00 Cumulative Preferred	41,325.
1,251	Federal Light & Traction Co. \$6.00 Cumulative Preferred	6,724.
500	International Hydro-Electric System \$3.50 Cumulative Convertible Preferred	26,063.
1,700	Standard Power & Light Corporation \$7.00 Cumulative Preferred	<u>199,750.</u>
		<u>\$447,356.</u>

INVESTMENTS IN SECURITIES

JANUARY 31, 1949

<u>NO. OF SHARES</u>	<u>DESCRIPTION OF SECURITIES</u>	<u>QUOTED MARKET VALUE AT JANUARY 31, 1949 Amount</u>
<u>HOLDING COMPANIES (Continued)</u>		
<u>Common Stocks</u>		
3,000	Amerex Holding Corporation	\$ 74,250.
3,405	Engineers Public Service Company- ex-distributions	5,107.
5,000	General Tin Investments, Ltd.- American Certificate for Ordinary Capital	5,625.
130	Georgia Railroad & Banking Company	18,785.
2,000	Marine Midland Corporation	13,500.
3,000	Midland Realization Company	3,180.
4,500	Midland Utilities Company	562.
500	Mission Corporation	23,750.
166-2/3	Mission Development Company	1,458.
500	North American Company	8,125.
2,000	Transamerica Corporation	<u>20,000.</u>
		<u>\$174,342.</u>

OTHER SECURITIES - BONDS

<u>Face Amount</u>	<u>DESCRIPTION OF SECURITIES</u>	<u>QUOTED MARKET VALUE AT JANUARY 31, 1949 Amount</u>
<u>Railroads</u>		
\$ 75,000.	Boston Terminal Co. 1st Registered 3½% 2/1/1947	57,750.
50,000.	Central Railroad Co. of New Jersey-First Mortgage 5% 7/1/1987 (C/D)	37,500.
96,000.	Chicago, Terre Haute and South- eastern Railway Co. Income Mortgage 2-3/4% 1/1/1994	69,120.
100,000.	The New York, New Haven & Hartford R.R. Co. General Mortgage Series "A" Income 4½% 7/1/2022	46,000.
185,000.	Northwestern Terminal Railway Company First Mortgage Income 5% 1/1/1977	122,100.
63,000.	Rio Grande & Western Railway Co. First Consolidated Mortgage Series A 4% 4/1/1949(stubs)	<u>10,395.</u>
		<u>\$342,865.</u>

INVESTMENTS IN SECURITIES

JANUARY 31, 1949

<u>FACE AMOUNT</u>	<u>DESCRIPTION OF SECURITIES</u>	<u>QUOTED MARKET VALUE AT JANUARY 31, 1949 Amount</u>
<u>OTHER SECURITIES - BONDS (Continued)</u>		
<u>Utilities</u>		
\$100,000.	Chicago City Railway Company First Mortgage 5% 2/1/1927 (C/D) (Stubs)	\$ 11,125.
359,000.	Chicago Rapid Transit Company: First & Refunding Mortgage Series "A" 6% 7/1/1953 (stubs) First & Refunding Mortgage 6 1/2% 7/1/1944 (stubs)	12,116.
34,000.	Federal Street and Pleasant Valley Passenger Rail- way Co.: Consolidated Mortgage 5% 5/1/1942	44,000.
21,000.	Consolidated Mortgage 5% 5/1/1942 Stamped	
1,131,000.	Metropolitan West Side Elevated Railway Co. (Chicago): Extension Mortgage 4% 7/1/1938 (stubs) First Mortgage 4% 8/1/1938 (stubs)	52,309.
145,000.	Northwestern Elevated Railway Company: First Mortgage 5% 9/1/1941 (stubs) First Mortgage 5% 9/1/1941 (C/D)(stubs)	8,156.
9,000.	Second Avenue Traction Co.: First Mortgage 5% 12/1/1934	
56,000.	First Mortgage 5% 12/1/1934 (C/D)	48,910.
2,000.	First Mortgage 5% 12/1/1934-Stamped(C/D)	
150,000.	Southern Traction Company: First and Coll. 5% 10/1/1950	172,190.
107,000.	First and Coll. 5% 10/1/1950 Stamped	
126,000.	Union Elevated Railroad Company First Mortgage 5% 10/1/1945 (stubs)	7,087.
13,000.	West End Traction Co.: General Mortgage 5% 1/1/1938)	
36,000.	General Mortgage 5% 1/1/1938) Stamped (C/D)	35,770.
		<u>\$391,663.</u>

INVESTMENTS IN SECURITIES

JANUARY 31, 1949

<u>NO. OF SHARES OR FACE AMOUNT</u>	<u>DESCRIPTION OF SECURITIES</u>	<u>QUOTED MARKET VALUE AT JANUARY 31, 1949</u> <u>Amount</u>
<u>OTHER SECURITIES - BONDS (Continued)</u>		
<u>Real Estate</u>		
2,500 units	Schulco Company Incorporated 5% 7/1/1963 Scrip	\$ -
\$10,000.	Sunnyside Properties, Inc. 6% Cumulative Income Notes 10/1/1950 - Registered	<u>1,500.</u>
		\$ <u>1,500.</u>
<u>OTHER SECURITIES - PREFERRED STOCKS</u>		
<u>Utilities</u>		
8,600	Market Street Railway Company Cumulative Prior Preferred 6%	146,200.
685	New England Public Service Company: \$6.00 Prior Lien Cumulative Preferred Contingent Certifi- cate for additional amount due (stubs)	2,740.
1,120	\$7.00 Prior Lien Cumulative Preferred Contingent Certifi- cate for additional amount due (stubs)	9,800.
500	Vicksburg, Shreveport and Pacific Railway Company 5% Common guaranteed by Illinois Central Railroad Company	<u>44,500.</u>
		\$ <u>203,240.</u>
<u>Insurance Companies</u>		
400	U.S. Casualty Company \$.45 Cumulative Convertible Parti- cipating Preferred	\$ <u>4,000.</u>
<u>Industrials</u>		
609	Autocar Company: Cumulative Convertible Preferred Series A - 5%	} 13,000.
291	Convertible Preferred Series B - 5%	
100	Cumulative Convertible Preferred Series C - 5%	
1,200	Avco Manufacturing Corporation \$2.25 Cumulative Convertible Preferred	49,950.
300	Cluett Peabody and Co. 4% Cumulative Convertible 2nd Preferred	<u>24,900.</u>
	Forward	\$ 87,850.

INVESTMENTS IN SECURITIES

JANUARY 31, 1949

<u>NO. OF SHARES</u>	<u>DESCRIPTION OF SECURITIES</u>	<u>QUOTED MARKET VALUE AT JANUARY 31, 1949</u> <u>Amount</u>
<u>OTHER SECURITIES - PREFERRED STOCKS (Continued)</u>		
<u>Industrials (Continued)</u>		
	(Forward)	\$ 87,850.
300	Franklin Simon & Company, Incorporated 4½% Cumulative Convertible Preferred	7,500.
1,100	Gar Wood Industries, Inc. 4½% Cumulative Convertible Preferred	31,900.
200	General Cable Corp. 4% Cumulative Convertible 2nd Preferred	5,750.
100	Mansfield Tire & Rubber Company \$1.20 Cumulative Convertible Preferred	1,850.
300	Murray Corporation of America 4% Cumulative Preferred	10,425.
260	Thermoid Co. \$2.50 Cumulative Convertible Preferred	<u>9,555.</u>
		<u>\$154,830.</u>
<u>OTHER SECURITIES - COMMON STOCKS</u>		
<u>Railroads</u>		
1,400	Northern Pacific Railway Company	<u>\$ 22,750.</u>
<u>Utilities</u>		
1,450	Boston Elevated Railway Company	24,650.
6,200	Federal Water & Gas Corporation	30,225.
1,400	Illinois Power Company	37,975.
300	International Ocean Telegraph Company	23,700.
11,000	Longview Bridge Company	16,500.
700	Monongahela Street Railway Company	18,550.
196	Pittsburgh Incline Plane Company*	23,520.
1,000	Portland General Electric Company	22,750.
400	United Public Utilities Corporation	<u>650.</u>
		<u>\$198,520.</u>
<u>Banks</u>		
5,000	Continental Bank & Trust Company	<u>\$ 50,625.</u>
<u>Insurance Companies</u>		
800	American Surety Company	49,600.
1,100	Employers Group Associates	37,812.
4,755	New Amsterdam Casualty Company	147,405.
900	Standard Accident Insurance Company	29,475.
1,025	Universal Insurance Company	<u>25,369.</u>
		<u>\$289,661.</u>

*See Page for footnote.

INVESTMENTS IN SECURITIES

JANUARY 31, 1949

<u>NO. OF SHARES</u>	<u>DESCRIPTION OF SECURITIES</u>	<u>QUOTED MARKET VALUE AT JANUARY 31, 1949</u> <u>Amount</u>
<u>OTHER SECURITIES - COMMON STOCKS (Continued)</u>		
<u>Industrials</u>		
4,600	A.D.F. Company	\$ 5,750.
5,000	American-Hawaiian Steamship Company	181,250.
23,763	Atlantic Gulf & West Indies Steamship Lines*	1,295,084.
12,600	Brewster Aeronautical Corporation	1,008.
3,700	Buda Company	39,775.
3,000	Compania Manufactures del Patrero S. A.	-
5,000	Consolidated Liquidating Corporation	87,500.
1,000	Diamond T. Motor Car Company	11,875.
7,000	Equitable Office Building Corporation	34,125.
1,000	Fairchild Engine & Airplane Corporation	4,125.
10,500	Fajardo Sugar Company of Porto Rico	244,807.(a)
1,200	Franklin Railway Supply Company	14,400.
300	Hercules Motors Corporation	4,125.
2,000	Hunt Foods, Incorporated	20,750.
999	Jones & Lamson Machine Company	20,230.
1,000	Lee Rubber & Tire Corporation	39,250.
500	Mandel Brothers, Incorporated	4,000.
1,400	Manhattan Shirt Company	24,500.
1,500	Maryland Dry Dock Company	20,250.
1,550	Merchants & Miners Transport Company	13,175.
1,500	Mohawk Rubber Company	20,625.
3,100	National Department Stores Corporation	46,500.
44,790	National Transit Pump & Machine Company*	246,345.
745	New Britain Machine Company	13,410.
3,300	New York Merchandise Co., Inc.	37,950.
300	Rice-Stix Dry Goods Company	7,650.
110	Shuron Optical Company, Inc.	2,640.
1,000	Stewart Warner Corporation	12,750.
265	Taylor-Wharton Iron & Steel Co.	8,745.
600	Todd Shipyards Corporation	34,950.
4,079	Utica Knitting Company*	146,844.
1,000	White Motor Company	15,000.
1,100	R.C. Williams & Company, Inc.	7,425.
500	Yale & Towne Manufacturing Company	<u>11,000.</u>
		<u>\$2,677,813.</u>

*Represents investment in a non-controlled affiliate, as defined in Investment Company Act of 1940, under which an issuer is an "affiliate" of one who owns 5% or more of its outstanding voting securities.

(a) Includes dividend receivable.

GRAHAM-NEWMAN CORPORATION

NEW YORK

SECURITIES SHORT

JANUARY 31, 1949

<u>NO. OF SHARES</u>	<u>DESCRIPTION OF SECURITIES</u>	<u>COVER VALUE, JANUARY 31, 1949 Amount</u>
<u>PREFERRED STOCKS - RAILROADS</u>		
1,000	New York, New Haven & Hartford R.R. Co. 5% Series A	\$ 31,625.
<u>COMMON STOCKS - RAILROADS</u>		
1,000	Central Railroad Co. of New Jersey	31,750.
<u>COMMON STOCKS - INDUSTRIALS</u>		
2,800	Avco Manufacturing Corporation	18,900.
4,600	Gar Wood Industries, Inc.	27,025.
400-70/100	Utah Fuel Co. When Issued	2,990.
		<hr/>
		<u>\$112,290.</u>